

## Message Text

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67

ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-11 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 EB-11 AID-20 TRSE-00 DRC-01 /128 W

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R 271505Z SEP 74

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 8256

INFO USCINCSO

C O N F I D E N T I A L BUENOS AIRES 7233

USCINCSO FOR POLAD

E.O. 11652: GDS

TAGS: EGEN, PINT, PGOV, AR (JOSE B. GELBARD)

SUBJ: POSITION OF MINISTER OF ECONOMY

REF: BA 7021

1. SUMMARY: ECONMIN GELBARD IS STILL IN THE HOSPITAL BUT APPEARS TO HAVE RECOVERED AND WILL BE DISCHARGED SHORTLY. SPECULATION IN KNOWLEDGEABLE CIRCLES, HOWEVER, IS THAT GELBARD IS ON THE WAY OUT AND WILL NOT BE RETAINED MORE THAN ANOTHER TWO MONTHS, IF THAT. END SUMMARY.

2. ECONMIN GELBARD IS STILL IN THE HOSPITAL, THOUGH PERIODIC MEDICAL STATEMENTS HAVE DESCRIBED HIS CONDITION AS "IMPROVING SATISFACTORILY." HE IS EXPECTED TO LEAVE THE HOSPITAL WITHIN THE NEXT FEW DAYS.

3. WHILE HIS ILLNESS APPARENTLY WAS LEGITIMATE, RATHER THAN "DIPLOMATIC," ONE NEWSMAN WITH LA OPINION, A PAPER CLOSELY IDENTIFIED WITH GELBARD, COMMENTED TO EMBOFFS THAT LATTER'S CONDITION WAS PROBABLY COMPLICATED GREATLY BY "THE ILLNESS WHICH AFFLICTS ALL CABINET MINISTERS WHEN THEIR PROGRAMS DON'T WORK."

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4. MANY OBSERVERS ARE CONVINCED THAT GELBARD'S POSITION WAS ALREADY PRECARIOUS AND THAT HIS ILLNESS PROVIDES MRS. PERON THE PRETEXT SHE NEEDS TO EASE HIM OUT. INDEED, A NUMBER OF SOURCES IN THE GOVT AND THE PERONIST MOVEMENT HAVE EXPRESSED THE CONVICTION THAT GELBARD HIMSELF WANTS OUT. THIS IS BASED PRINCIPALLY ON THE FACT THAT THE ALUAR CONTRACTS (WITH RESPECT TO WHICH GELBARD HAS PUBLICLY BEEN ACCUSED OF LINING HIS OWN POCKET) ARE NOW TO BE INVESTIGATED BY THE SENATE. GELBARD HIMSELF CALLED FOR THE INVESTIGATION (TO CLEAR HIS NAME), BUT FEW BELIEVE HE EXPECTED THE SORT OF DEEPLY PROBLING EFFORT WHICH NOW SEEMS TO BE DEVELOPING; RATHER, HE HAD EXPECTED A WHITEWASH. THAT HE APPARENTLY IS NOT TO GET ONE MAY BE A STRONG HINT TO HIM THAT MRS. PERON IS PREPARED TO SEE HIM STEP ASIDE.

5. FURTHER, GELBARD IS IDENTIFIED WITH THE WAGE-PRICE FREEZE AND HAS STATED REPEATEDLY THAT THERE WILL BE NO DEVALUATION AS LONG AS HE IS MINISTER OF ECONOMY. THE GOVERNMENT, HOWEVER, IS NOW REPORTED TO BE AT LEAST CONSIDERING THE POSSIBILITY OF A DEVALUATION AND AN ACROSS THE BOARD WAGE INCREASE. IF IT SHOULD DECIDE TO ADOPT SUCH MEASURES, IT IS VERY LIKELY THAT IT WOULD ALSO FEEL IT NECESSARY TO APPOINT A NEW MINISTER LESS IDENTIFIED WITH THE OLD POLICIES.

6. NAMES MOST FREQUENTLY MENTIONED AS LIKELY SUCCESSORS ARE THOSE OF ANTONIO CAFIERO AND ALFREDO GOMEZ MORALES.  
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## Message Attributes

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